

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02077A

H

Hopeville Water Company
1415 S. Palo Verde Road
Buckeye, AZ 85326

ANNUAL REPORT

RECEIVED

OCT 24 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2006 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 06 |
|--------|----|

PROCESSED BY:

10-27-08

SCANNED

COMPANY INFORMATION

| | | |
|--|-----------------------------|------------------------------------|
| Company Name (Business Name) <u>Hopeville Water Company, Inc.</u> | | |
| Mailing Address <u>1415 S. Palo Verde Road</u> | | |
| <u>Buckeye,</u> (City) | <u>AZ</u> (State) | <u>85326</u> (Zip) |
| <u>623.386.6333</u> | | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address _____ | | |
| Local Office Mailing Address <u>1415 S. Palo Verde Road</u> | | |
| <u>Buckeye,</u> (City) | <u>AZ</u> (State) | <u>85326</u> (Zip) |
| <u>623.386.6333</u> | | |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address _____ | | |

MANAGEMENT INFORMATION

| | | |
|---|-----------------------------|------------------------------------|
| Management Contact: <u>Abraham Harris, III</u> | | <u>President</u> |
| | (Name) | (Title) |
| <u>28913 W. Cocopah</u> | <u>Buckeye,</u> | <u>AZ</u> |
| (Street) | (City) | (State) |
| <u>623.687.5696</u> | | <u>85326</u> |
| | | (Zip) |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address _____ | | |
| On Site Manager: <u>Abraham Harris III</u> | | |
| | (Name) | |
| <u>28913 W. Cocopah</u> | <u>Buckeye,</u> | <u>AZ</u> |
| (Street) | (City) | (State) |
| <u>623.687.5696</u> | | <u>85326</u> |
| | | (Zip) |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address _____ | | |

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Louis K. Early
(Name)

29001 W. Pima Street Buckeye, AZ 85326
(Street) (City) (State) (Zip)

623.386.6333 623.386.5135 602.826.3900
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: None
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Hopenille Water Company, Inc.

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | \$500.00 | 0 | \$500.00 |
| 302 | Franchises | N/A | N/A | N/A |
| 303 | Land and Land Rights | \$2,000.00 | 0 | \$2,000.00 |
| 304 | Structures and Improvements | \$50,000.00 | \$30,000.00 | \$20,000.00 |
| 307 | Wells and Springs | \$320,000.00 | \$150,000.00 | \$170,000.00 |
| 311 | Pumping Equipment | \$20,000.00 | 0 | \$20,000.00 |
| 320 | Water Treatment Equipment | N/A | N/A | N/A |
| 330 | Distribution Reservoirs and Standpipes | \$100,000.00 | 0 | \$100,000.00 |
| 331 | Transmission and Distribution Mains | \$100,000.00 | 0 | \$100,000.00 |
| 333 | Services | \$7,000.00 | 0 | \$7,000.00 |
| 334 | Meters and Meter Installations | \$3,300.00 | 0 | \$3,300.00 |
| 335 | Hydrants | \$4,200.00 | 0 | \$4,200.00 |
| 336 | Backflow Prevention Devices | \$5,000.00 | 0 | \$5,000.00 |
| 339 | Other Plant and Misc. Equipment | \$1,000.00 | \$900.00 | \$100.00 |
| 340 | Office Furniture and Equipment | N/A | N/A | N/A |
| 341 | Transportation Equipment | \$5,000.00 | \$4,800.00 | \$200.00 |
| 343 | Tools, Shop and Garage Equipment | \$5,000.00 | 0 | \$5,000.00 |
| 344 | Laboratory Equipment | \$1,000.00 | 0 | \$1,000.00 |
| 345 | Power Operated Equipment | \$1,500.00 | 0 | \$1,500.00 |
| 346 | Communication Equipment | N/A | N/A | N/A |
| 347 | Miscellaneous Equipment | \$1,000.00 | 0 | \$1,000.00 |
| 348 | Other Tangible Plant | \$500.00 | 0 | \$500.00 |
| | TOTALS | \$627,000.00 | \$185,700.00 | \$441,300.00 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Hoperville Water Company, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | | | To be replaced |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | | | To be replaced |
| 331 | Transmission and Distribution Mains | | | |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | | | To be replaced |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | To be replaced |
| 339 | Other Plant and Misc. Equipment | | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | | | |

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME Hopewille Water Company, Inc.

BALANCE SHEET

| Acct .No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 400.00 | \$ 17.58 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 998.79 | 9,761.50 |
| 146 | Notes/Receivables from Associated Companies | 0 | 0 |
| 151 | Plant Material and Supplies | 0 | 0 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 1,389.79 | \$ 9,779.80 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 0 | \$ 0 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 0 | 0 |
| 108 | Accumulated Depreciation – Utility Plant | 185,700.00 | 185,700.00 |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation – Non Utility | 0 | 0 |
| | TOTAL FIXED ASSETS | \$ | \$ |
| | TOTAL ASSETS | \$ 187,098.79 | \$ 195,479.80 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Hoperville Water Company, Inc.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 705.29 | \$ 8403.53 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes/Accounts Payable to Associated Companies | 0 | 0 |
| 235 | Customer Deposits | 813.46 | 9761.50 |
| 236 | Accrued Taxes | 0 | 0 |
| 237 | Accrued Interest | 0 | 0 |
| 241 | Miscellaneous Current and Accrued Liabilities | 0 | 0 |
| | TOTAL CURRENT LIABILITIES | \$ 1518.75 | \$ 18,225.03 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 0 | \$ 0 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ 0 | \$ 0 |
| 252 | Advances in Aid of Construction | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 0 | 0 |
| 272 | Less: Amortization of Contributions | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | TOTAL DEFERRED CREDITS | \$ 0 | \$ 0 |
| | TOTAL LIABILITIES | \$ 1518.75 | \$ 18,225.03 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 0 | \$ 0 |
| 211 | Paid in Capital in Excess of Par Value | 0 | 0 |
| 215 | Retained Earnings | 0 | 0 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | 0 |
| | TOTAL CAPITAL | \$ 0 | \$ 0 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 1518.75 | \$ 18,225.03 |

COMPANY NAME Hopewille Water Company, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|-------------|---------------|
| 461 | Metered Water Revenue | \$ 0 | \$ 0 |
| 460 | Unmetered Water Revenue | 9,000.00 | 9761.50 |
| 474 | Other Water Revenues | 0 | 0 |
| | TOTAL REVENUES | \$ 9,000.00 | \$ 9761.50 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 0 | \$ 1525.00 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 3,840.00 | 2,872.36 |
| 618 | Chemicals | 0 | 0 |
| 620 | Repairs and Maintenance | 750.00 | 814.17 |
| 621 | Office Supplies and Expense | 200.00 | 0 |
| 630 | Outside Services | 2,500.00 | 0 |
| 635 | Water Testing | 350.00 | 828.50 |
| 641 | Rents | 0 | 0 |
| 650 | Transportation Expenses | 0 | 940.67 |
| 657 | Insurance – General Liability | 0 | 0 |
| 659 | Insurance - Health and Life | 0 | 0 |
| 666 | Regulatory Commission Expense – Rate Case | 0 | 0 |
| 675 | Miscellaneous Expense | 0 | 1482.83 |
| 403 | Depreciation Expense | 0 | 0 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 791.00 | 5,000.00 |
| 409 | Income Tax | 0 | 0 |
| | TOTAL OPERATING EXPENSES | \$ 8431.00 | \$ 13,463.53 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ 569.00 | \$ (3,702.03) |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ 0 | \$ 0 |
| 421 | Non-Utility Income | 0 | 0 |
| 426 | Miscellaneous Non-Utility Expenses | 0 | 0 |
| 427 | Interest Expense | 0 | 0 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 0 | \$ 0 |
| | | | |
| | NET INCOME/(LOSS) | \$ 569.00 | \$ (3,702.03) |

COMPANY NAME

Hopewille Water Company, Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | NONE | NONE | NONE | NONE |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$

0

Meter Deposits Refunded During the Test Year

\$

0

| | |
|----------------|---|
| COMPANY NAME | Hopewille Water Company 2091 |
| Name of System | ADEQ Public Water System Number (if applicable) |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-87247 | | 250 | 610 | 12" | 6" | 1981 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| | 3 | 10 | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 100,000 | 2 | 3000 | 1 |
| | | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | | |
|-----------------------|---|--|
| COMPANY NAME | Hopenille Water Company, Inc. | |
| Name of System | ADEQ Public Water System Number (if applicable) | |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | | |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | |
| 3/4 | 4/ |
| 1 | |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|----------------|---|
| COMPANY NAME: | Hopeville Water Company, Inc. |
| Name of System | ADEQ Public Water System Number (if applicable) |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

| MONTH/YEAR | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | | | | |
| FEBRUARY | | | | |
| MARCH | | | | |
| APRIL | | | | |
| MAY | | | | |
| JUNE | | | | |
| JULY | | | | |
| AUGUST | | | | |
| SEPTEMBER | | | | |
| OCTOBER | | | | |
| NOVEMBER | | | | |
| DECEMBER | | | | |
| TOTALS → | | | | |

What is the level of arsenic for each well on your system? 0.0050 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 250 GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Hopeville Water Company, Inc. YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Changing to a social non-profit
organization

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
OCT 24 2008
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

| |
|--|
| COUNTY OF (COUNTY NAME) <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE <u>Abraham Harris, III President</u> |
| COMPANY NAME <u>Hopewille Water Company, Inc.</u> |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

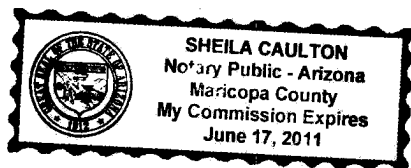
| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

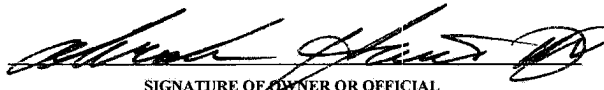
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.




SIGNATURE OF OWNER OR OFFICIAL
623-687-5496
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24th

DAY OF

(SEAL)

MY COMMISSION EXPIRES June 17, 2011

| | |
|-----------------------------|--------------|
| COUNTY NAME <u>Maricopa</u> | |
| MONTH <u>October</u> | 20 <u>08</u> |


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Hopeville Water Company, Inc. YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

10-27-06
DATE

Abraham Harris, III
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
OCT 24 2008
AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

| |
|--|
| COUNTY OF (COUNTY NAME) <u>Maricopa</u> |
| NAME (OWNER OR OFFICIAL) TITLE <u>Abraham Harris, III - President</u> |
| COMPANY NAME <u>Hopenite Water Company, Inc.</u> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

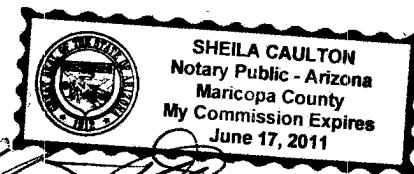
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$(-3,702.03)

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
623-487-5596
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24th

DAY OF

| | |
|--------------------------------|-------------|
| COUNTY NAME <u>Maricopa</u> | |
| MONTH <u>October</u> | <u>2008</u> |

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 17, 2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

OCT 24 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|------------------------|
| COUNTY OF (COUNTY NAME) <u>Maricopa</u> | |
| NAME (OWNER OR OFFICIAL) <u>Abraham Harris, III</u> | TITLE <u>President</u> |
| COMPANY NAME <u>Hopewille Water Company, Inc.</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

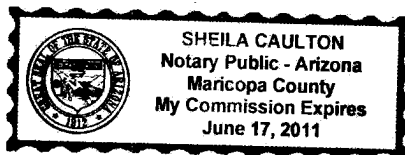
ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ (-3,702.03)

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL

623-687-5696
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24th

DAY OF

| | |
|--|--------------|
| NOTARY PUBLIC NAME <u>Sheila Caulton</u> | |
| COUNTY NAME <u>Maricopa</u> | |
| MONTH <u>October</u> | 20 <u>08</u> |

(SEAL)

MY COMMISSION EXPIRES

June 17, 2011

SIGNATURE OF NOTARY PUBLIC

HOPEVILLE WATER COMPANY BALANCE SHEET
JANUARY 1, 2006 THRU JULY 31, 2006

UTILITIES DIVISION 2006 ANNUAL REPORT

| OPERATING REVENUES | | |
|--------------------------|----|----------|
| METERED WATER REVENUE | \$ | - |
| UNMETERED WATER REVENUE | \$ | 6,991.50 |
| OTHER WATER REVENUE | \$ | - |
| | | |
| TOTAL REVENUES | \$ | 6,991.50 |
| | | |
| OPERATING EXPENSES | | |
| | | |
| SALARIES & WAGES | \$ | 1,000.00 |
| PURCHASED POWER (APS) | \$ | 1,403.74 |
| REPAIRS & MAINTENANCE | \$ | 724.17 |
| WATER TESTING | \$ | 140.00 |
| TRANSPORTATION EXPENSES | \$ | 915.63 |
| MISCELLANEOUS EXPENSES | \$ | 1,302.53 |
| | | |
| TOTAL OPERATING EXPENSES | \$ | 5,486.07 |
| | | |
| | | |
| BALANCE | \$ | 1,505.43 |
| | | |
| | | |

Register Report

8/23/06 Through 12/31/06

1/9/08

Page 1

| Date | Num | Description | Memo | Category | Clr | Amount |
|----------|------------|--------------------------------|----------------------------------|----------|-----|-----------|
| | | BALANCE 8/22/06 | | | | 0.00 |
| 8/24/06 | DEP | Hopeville Community Water Co. | Open Account | | | 395.00 |
| 8/24/06 | Check O... | Chase Bank | Bank Charge | | | -53.30 |
| 8/31/06 | Month | Hopeville Community Water Co. | Ending Month Balance | | | 0.00 |
| | | TOTAL 8/23/06 - 8/31/06 | | | | 341.70 |
| | | BALANCE 8/31/06 | | | | 341.70 |
| 9/1/06 | Month | Hopeville Community Water Co. | Ending Month Balance Forward | | | 0.00 |
| 9/8/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 425.00 |
| 9/8/06 | C/1151 | A.P.S. | Utilities:Electric Service | | | -363.63 |
| 9/13/06 | C/1001 | Shirley Washington | Bookkeeping & Water Utilities | | | -100.00 |
| 9/13/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 300.00 |
| 9/13/06 | C/1002 | Legend Technical Service Inc. | Monthly:Water Samples | | | -15.00 |
| 9/18/06 | C/1003 | Welch Pump Co. | Service Call, Well | | | -90.00 |
| 9/21/06 | C/1152 | A.P.S. | Utilities:Electric Service | | | -312.40 |
| 9/26/06 | C/1004 | Shirley Washington | Bookkeeping & Water Utilities | | | -100.00 |
| 9/26/06 | DEP | Hopeville Community Water Co. | Charitable Donations | | | 5,000.00 |
| 9/26/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 50.00 |
| 9/27/06 | C/1005 | Abraham Harris III | Tax, Lands Property | | | -5,000.00 |
| 9/29/06 | Fee | Chase Bank | Services:Fee | | | -8.00 |
| 9/30/06 | Month | Hopeville Community Water Co. | Ending Month Balance | | | 0.00 |
| | | TOTAL 9/1/06 - 9/30/06 | | | | -214.03 |
| | | BALANCE 9/30/06 | | | | 127.67 |
| 10/1/06 | Month | Hopeville Community Water Co. | Ending Month Balance Forward | | | 0.00 |
| 10/6/06 | C/1006 | Arizona Corporation Commission | Commission:Filing Fee | | | -45.00 |
| 10/10/06 | EFT | Enterprise Rent -A-Car | Services Error Make | | | -50.00 |
| 10/12/06 | Expense | Hopeville Community Water Co. | Utilities:Water Meter Replace | | | 150.00 |
| 10/12/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 570.00 |
| 10/12/06 | C/1153 | A.P.S. | Utilities:Electric Service | | | -324.25 |
| 10/26/06 | C/1007 | Legend Technical Service Inc. | Month:Water Samples | | | -15.00 |
| 10/27/06 | C/1008 | Shirley Washington | Bookkeeping & Water Utilities | | | -100.00 |
| 10/27/06 | Credit | Hopeville Community Water Co. | Miscellaneous, Bus, Return Fu... | | | 50.00 |
| 10/30/06 | Fee | Chase Bank | Services:Fee | | | -8.00 |
| 10/31/06 | Month | Hopeville Community Water Co. | Ending Month Balance | | | 0.00 |
| | | TOTAL 10/1/06 - 10/31/06 | | | | 227.75 |
| | | BALANCE 10/31/06 | | | | 355.42 |
| 11/1/06 | C/1009 | Legend Technical Service Inc. | Month:Water Samples | | | -55.00 |
| 11/1/06 | Month | Hopeville Community Water Co. | Ending Month Balance Forward | | | 0.00 |
| 11/8/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 420.00 |
| 11/14/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 100.00 |
| 11/14/06 | C/1010 | A.P.S. | Utilities:Electric Service | | | -243.66 |
| 11/15/06 | C/1156 | Louis Early | Refund:Water Samples | | | -210.00 |
| 11/26/06 | C/1011 | Shirley Washington | Bookkeeping & Water Utilities | | | -100.00 |
| 11/29/06 | Fee | Chase Bank | Services:Fee | | | -8.00 |
| 11/30/06 | Month | Hopeville Community Water Co. | Ending Month Balance | | | 0.00 |
| | | TOTAL 11/1/06 - 11/30/06 | | | | -96.66 |
| | | BALANCE 11/30/06 | | | | 258.74 |
| 12/1/06 | Month | Hopeville Community Water Co. | Ending Balance Forward | | | 0.00 |
| 12/5/06 | C/1012 | A.P.S. | Utilities:Electric Service | | | -224.66 |
| 12/12/06 | DEP | Hopeville Community Water Co. | Utilities:Water Service | | | 510.00 |
| 12/23/06 | C/1013 | Shirley Washington | Bookkeeping & Water Utilities | | | -125.00 |

Register Report

8/23/06 Through 12/31/06

1/9/08

Page 2

| Date | Num | Description | Memo | Category | Clr | Amount |
|--------------------------|--------|-------------------------------|------|--------------------------|-----|-----------|
| 12/23/06 | C/1014 | State Of Arizona | | Maps Annual Sampling Fee | | -378.50 |
| 12/26/06 | C/1015 | Legend Technical Service Inc. | | Month:Water Samples | | -15.00 |
| 12/29/06 | Fee | Chase Bank | | Services:Fee | | -8.00 |
| 12/31/06 | Month | Hopeville Community Water Co. | | Ending Month Balance | | 0.00 |
| TOTAL 12/1/06 - 12/31/06 | | | | | | -241.50 |
| BALANCE 12/31/06 | | | | | | 17.58 |
| OVERALL TOTAL | | | | | | 17.58 |
| TOTAL INFLOWS | | | | | | 7,970.00 |
| TOTAL OUTFLOWS | | | | | | -7,952.42 |
| NET TOTAL | | | | | | 17.58 |